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Passive Revolutions vs. Socialist Transformation

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Systemic crisis or business as usual: Analyses of the current crisis oscillate between these two poles. But neither is capitalism as such in crisis, nor can the form of capitalist development of the past thirty years simply be carried on. The specific form of the transnational information technological mode of production and life under neoliberal hegemony has fallen into a structural or organic crisis. We are at the beginning of a new transformation of capitalism. The form it takes will be at issue in the struggle of the coming years. How, in view of the unfavourable power relations, is the goal of socialist transformation in the sense of Rosa Luxemburg's concept of revolutionary pragmatism, to be pursued? In other words, "what is to be done?" (Lenin) – and "who the hell is going to do it?" (Harvey 2009)?

Transformations as passive revolutions

Nothing will stay the way it is. Transformation for the last 150 years has meant: a passive revolution of the modes of production and the respective modes of living. Following Antonio Gramsci, passive revolutions are one way to restore fragile power by revolutionizing all social relations – not only restoring order, but developing bourgeois, capitalist rule, by actively pushing forward society (*Gef.* 1, p. 102¹). The passive element is to integrate the interests of the subaltern segments while keeping them in a subaltern, powerless position, and to absorb their intellectuals and leaders into the power bloc, while depriving the subaltern of their leadership (*transformismo*). Thus, neoliberal rule has pushed forward the globalization and internationalization of production, culture and consumption, as well as the information technological thrust and the scientification of production, by including the knowledge of the immediate producers, and has enforced the personal responsibility and economic emancipation of women.

The first transnational wave of neoliberal revolution weakened the power of wage dependent sectors, the unions, the social movements and social democracy; the second wave integrated their representatives into a social democratic neoliberal power bloc (Candeias 1999; 2004). The result was a rapid development of productive forces, of accumulation and of profits, paid for by accelerated redistribution from below and inequality. However, neoliberalism has lost its propulsive, forward-driving societal function. There is a lack of adequate investment opportunities, profit rates in general are falling, more and more social needs remain unfulfilled, and people have lost their faith in individual and social progress. The third wave was an authoritarian turn, both with regard to international and to internal relations. But the consensus has faded away. Promises have been broken. Nevertheless, there is yet no visible alternative.

Organic crises and breaks

Transformations are preceded by structural or organic crises. Harbingers of "incurable contradictions" (Gramsci, *Gef* 7, p. 1557) in the structure of society now begin to appear. Crises are natural in societies in which the capitalist mode of production prevails. It is quite typical for neoliberalism as a hegemonic project to absorb crises by getting them organized (Demi-

¹ "*Gefängnishefte*" – the German translation of the *Prison Notebooks*. Since no good English translation yet exists, this version is often quoted internationally – and herein.

rovic 1987, p. 121). Conjunctural, or “generic” crises (Poulantzas), which became more frequent in shorter intervals during neoliberalism, give rise to instability, pushing whole countries and regions to the limits of their reproductive capacities, almost to collapse, and thus produced unemployment, poverty and starvation for millions of people, and challenged the legitimacy of the rulers. At the same time, the “cathartic effect” after a “productive destruction” and social conflicts – combined with the production of ever greater individual and social distress – can generate more accelerated technological, economic and societal innovations, bring forth dynamic impulses, and contribute to the dynamization of capitalist accumulation and bourgeois hegemony. While these crises have an ever more damaging effect on the conditions of the lives of people, the destruction and the devaluation of capital reduces the tendency to over-accumulation, and creates conditions for the redistribution of surplus value for the benefit of profits. It also improves the conditions for the valorization of capital, and enforces adjustments of societal regulation. This is accompanied by changing political conjunctures within a specific period of capitalist development, e.g. the switch from an orthodox conservative to a social democratic and ultimately to an authoritarian neoliberalism (Candeias 2004/2009, pp. 404ff). The decisive factor for the power bloc is not to eliminate or to solve contradictions, but to manage them so that they stay under control. Thus, such a concept of hegemony does not ask for the stability of a certain order, but rather for ways of dealing with the contradictions.

Organic crises however involve the condensation and entanglement of various crises which lead to conflicts and blockages within the bloc in power. This involves both molecular changes and *a series of fractures or breaks* in development. Such a sequence of breaks occurred in 1929, and in 1933 and thereafter, and then in 1945, during the period of the emergence of Fordism, as well as during the crisis in the transition to neoliberalism in 1968, in 1973-'75 and in 1980. This shows that in every case we are dealing *also*, but *not only*, with economic contradictions. In each case, we have also experienced political crises and events, such as the New Deal, fascism, the Second World War or the 1968 movement, Pinochet's neoliberal coup d'état, Thatcherism or Helmut Kohl's “intellectual and moral turn” in Germany. For, “what can be excluded is that immediate economic crises produce fundamental advances by themselves; they can only prepare a fertile ground to reflect, ask and solve the key questions for the whole further development of the mode of production and the respective mode of living” (Gramsci, *Gef.* 7, p. 1563).

However, it is also clear that the assumption that after a major crisis such as the one that began in 2007 (Candeias 2009a), things will keep going as they had been with only slight modifications, is ahistorical, as is the assumption that everything will suddenly change overnight. The transformation from imperialist globalization and competition to Fordism lasted at least thirteen years in the United States, and in Europe even until the end of the Second World War; that clearly shows the unevenness in time and space, and the varieties in the development. By the same token, it took from the crisis of the 1960s until 1980 for neoliberalism to really be implemented – in stages, dominated by Keynesianism, but already with a switch to monetarism and free exchange rates. Indeed that happens not automatically, and the history of the enforcement of Fordism shows how violent such transforma-

tion can be, and how differently Fordism – and later, too, neoliberalism – was to be realized in various contexts.

Organic crises and molecular changes

Now, before economic or political disruption occurs, but also independently from it, there are developing *molecular changes* in social relations, which are an every-day form of movement within contradictions that are barely visible at first. We have to distinguish between “conjunctural or occasional” and “organic” or structural molecular changes (Gramsci, *PN* 7, p. 1557). The first type requires modification of the mode of regulation without entailing structural changes. The second type cannot be sufficiently managed within the existing mode of regulation, although modifications may delay its critical condensation. Depending on the course of social struggles, the first category may be transformed into the second. This depends on a concrete analysis of the situation.

Such molecular transformations, as generic elements of crisis, are manageable as isolated phenomena, even if they do lead to shifts in the structure. They thus belong organically to the reproduction of the capitalist mode of production. As they are constantly effective, as Demirovic (1987, p. 118) says; it is neither justified to see them as crises as such, nor to view them as a teleological principle which will almost automatically lead to “true crisis”. But this form of molecular change always bears within it the possibility of a shift of contradictions and power relations, and hence their condensation in “major” structural crises, which touch questions of hegemony and legitimacy. Molecular changes, such as cyclical crises, are ultimately not existentially dangerous to the existing mode of production, but they do produce social conflicts. Due to the complexity of social relations, crisis and conflicts are unpredictable. This is the reason for the crisis like character of such changes and movements – especially if different elements of crisis interlock and are concentrated in a single event.

Thus the financial crash of 2007-'08, and the global economic crisis are the result of a *slowly but inexorably growing process of over-accumulation* – a molecular change developing over years. As is known, the volume of financial transactions has exploded to some \$3.3 *quadrillion* – thousand trillion! – a year, compared with a global trade volume of only \$16 *trillion*, and cross-border direct investment of less than \$2 *trillion* in 2008. For 2008, the Bank of International Settlements (BIS) estimated the volume of derivatives trading alone at \$1.6 quadrillion, with the stock estimated at some \$345 trillion (www.bis.org). If an average interest rate, say, a modest 3%, is assumed, that would yield interest claims in excess of \$10 trillion, roughly equal to the entire GDP of Germany, Japan and Great Britain combined. These are claims which ultimately represent nothing but levy surplus value, which has been produced elsewhere.²

² This comparison is intended to illustrate only the volume of trading in derivative financial instruments; of course, direct interest demands are derived from the volume of derivatives only in part. For the most part, this involves a zero sum game of mutual demands within the transnational banking sector. In contrast to ordinary stock transactions, derivatives trading takes place “in the future”, and hence need not be funded in the present.

This tendency to over-accumulation³ has been addressed by different strategies, such as the constant refinement of financial instruments and the search for new investment opportunities by incorporating new areas, such as East Asia, and opening up to previously non valorized areas (e.g. genetic resources, general knowledge and intellectual property, pollution rights and the privatization of public services). A further possibility was and still is to the development of new products and means of production, such as information technologies. One decisive strategy is to increasingly and directly integrate the reproduction of the working class into the valorization of capital, and to create ever more new consumer needs, from flat screens to private real-estate property. For this purpose, it was important to push the working class into credit relations by means of financial innovations, such as installment payments, consumer loans, mortgages and building society loans with state funding, credit cards, the privatization of pensions or the so-called subprime loans. All these strategies have not prevented a growing “plethora of capital” (Marx, *Capital*, Vol. III, ch. 15, MEGA 25, p. 261⁴), of over-accumulated capital, which lacks adequate investment possibilities and is therefore “pushed into adventurous channels: speculation, fraudulent credit, fraudulent stocks, crises” (ibid).

The real basis for the speculative bubble that led to the crises in Asia, Latin America and Russia in 1997-’98 was, still, the expansion of capital accumulation into new spaces; the dot.com bubble, which burst in 2001, financed the development and spread of the Internet technologies before its “exaggerations” were corrected. The real estate and credit bubble which recently exploded, on the other hand, hardly opened up any viable fields of accumulation, but rather had been almost exclusively pushed forward by financial accumulation. Thus, while the mortgage crisis was sparked by the so-called subprime loans, the direct payment defaults that accumulated in this area at the outbreak of the crisis in 2007 only added up to an estimated \$45 billion dollars (IMF 2008). The volume of the speculation results from the complex combination of credits and their hedging with credit default swap (CDS) contracts. These are credit derivatives originally used to hedge against default risks of loans and other securities, but which have themselves become tradable instruments, and hence objects of speculation, with a market of some \$62 trillion (FTD June 3, 2008).

The sum of the accumulated assets leads to claims on surplus value, which exceeds by far the actual surplus value production (Husson, 2010). While cyclical crises and modified accumulation strategies were able to manage and delay the condensation of these developments into a new structural crisis for quite a period of time, they were not able to prevent it. The mortgage crisis was, so to speak, the conjunctural or cyclical expression of these molecular changes.

Accordingly, a merchant is able to build up huge positions in *futures*, for instance, at minimal cost, and with minimal security deposits.

³ The real level of over-accumulation is not determined, because rates cannot simply be set in relation to actual profits, but always reflect expectations of future profits to be realized, as well as price developments. Also, productive investments financed by loans, bonds or issue of shares are still speculative investments on the future. On the debate about the *relative* decoupling of the financial markets from production and trade, see Altvater 1996, 250; Candeias 2004/9, 144ff.

⁴ Page numbers in Marx’ quotes refer to the German *Marx-Engels Gesamtausgabe*, Berlin.

The myth of economic recovery

Structurally – and this may be the economically most problematical aspect for the power bloc – this change has led to the fact that the *accumulation on an expanded scale has not been guaranteed for some years now*. The Bank for International Settlements has referred to the “myth of economic recovery”: “Thus, when output drops”, after the recovery “it tends to remain well below its previous trend.” (Cerra/Saxena 2007, p. 16). Especially in countries with a strong liberalization of financial markets, economic recovery has proceeded very slowly. After every financial crisis, it has to be assumed that there will be a long period of recovery, often too long for a return to the old level, before the next crisis hits. The crisis cycles become ever shorter, shifting increasingly from the peripheries to the capitalist centres. Progressive transnationalization leads to the synchronization of the cycles, and the crises tend to deepen and to last longer. If the recoveries of the affected economies lasts four years on average, but crisis are repeated every four to five years, there can no longer be any talk of recovery in the sense of advanced reproduction (ibid., see also Krüger 2010, p. 408). The global growth trend has been pointing downward since the late 1990s (Marina/Cámara, 2010, p. 12).

This myth of economic recovery means that increased profits can only be ensured by means of continued redistribution at the expense of the wage dependent sectors (workers), the state, and nationally or regionally limited capital factions, while ever more areas of socially necessary labour, of public infrastructure, and of social services run dry. While over-accumulation cannot be reduced substantially, a *reproductive crisis* of society is aggravating, endangering the very basis of accumulation – a lack of infrastructure, lack of qualifications, lack of social cohesion, and of profit expectations. In Germany, the investment required for infrastructure by 2020 is estimated at over €700 billion, equivalent to annual investments of about €47 billion (Reidenbach et al. 2008). In fact however, especially local investments have been declining for years. Already in 2005, underinvestment was approximately 20%. In the wake of the crisis, after the economic stimulus packages run out, investments keep declining because of the constitutional debt limit and various austerity programmes. The investment gap in the United States is even more dramatic. The OECD estimates worldwide demand for infrastructural investment at a minimum of \$41 trillion by 2030, which corresponds to some \$2 trillion annually. However, actual investment is running at only about \$1 trillion – predominantly by the public sector. “In view of highly indebted national budgets, there is a huge funding gap already in sight today” (OECD 2009). These calculations reflect insufficient investments in such areas of social infrastructure as nursing, health, education and job training.

However, macroeconomic investment rates *in* Germany are continuing to decrease: between 2001 and 2008, from 22% to 17% of GDP, i.e., the contribution of gross capital investment to economic growth was -0.1% during that period; actual net investment (i.e. gross investment minus capital depreciation) even fell from 8% to 2.7%; in the U.S., the decrease was from 9% to 2.8%. In both countries there has been real disinvestment in industry (EU-Kom/Destasis). Despite the investment boom in Brazil, India, China and other emerging economies, there is, according to data from the World Bank, a *falling tendency of*

the global investment rate in relation to the (decreasing!) growth rate since 1979: after a severe crash during the 1980s, it was able to stabilize itself briefly after the crisis in 1990, then remained flat until the small investment boom in the wake of the New Economy. Since then, investments have continued to fall, in 2008, down to 20% of global GDP, 4% below the historic low point of 1979. “Investments abroad do not compensate the weak domestic investment dynamics” (Husson, 2010). Investment and growth lag behind, despite a rising rate of surplus value. An approximation with the rate of surplus value in the bourgeois economy corresponds to the proportion of the macroeconomic gross income, which in Germany increased by 12% between 1982 until 2010.⁵ With regard to the historically low investment in other OECD countries as well, Arthur and Artus & Virard (2007) already spoke of “capitalism without a project”, even before the onset of the recent crisis. Low growth and low investment is, if nothing else, the result of the lack of profit opportunities and once again *declining rates of profit* (while capital costs increase).⁶

After the crisis of Fordism in the US, the rate of profit, starting from a low level in 1982, rose significantly by 1997. Despite the New Economy boom, it then dropped, and rose again only after the crisis. Since mid 2004 – even before the great crisis – began to fall back again to a downward trend, which has been aggravated since the crisis 2007ff (Cámara, 2009, 5). In Germany, the tendency of the profit rate has continued flatter than in the US after a sharp drop in 1982 (see Krüger 2010, 464ff). With a lowered wage rate and improved productivity since 1982, net profits stabilized, from 5.9% in 1982 to 11.6% in 1986. “However, this is not sufficient, not even for a compensation of the increasing weight of the advanced fixed capital with its extended turnover; the total turnover of the advanced capital, considered the average turnover of all its components, has been decreasing over the whole period” (467) since the beginning of the 1980s. At the same time, the proportion of variable capital has been falling, due to the accelerated transformation of “living labour” into “dead labour” (Marx), as well as to the decline in real wages, especially since 2001. After the crises of 1998ff, the rate of profit could again be increased from 8% to 11%. The increase in the rate of profit, which had been 12% throughout the period since 1982, corresponded strikingly to the reduction in the wage rate by 12%. The crisis of 2008, as Krüger suspects (466), has marked the turning point for another decline in the rate of profit.

The molecular accumulation of elements

“The inherent limits of cyclical booms emerge more rapidly”, decreasing investment, resulting from lack of profit prospects, diminishes the possibilities for an intra-cyclical adjustment of economic disproportions – accordingly, there will be more violent adjustments of these proportions through crises (Krüger 2010, p. 411). In this context, other molecular changes which, taken alone, do not appear to endanger neoliberal hegemony, must be

⁵ In the US, the gross share of profits has remained relatively stable, at around 10% below the German rate. The dramatic rise in executive pay – statistically counted as wages – compensates for declining real wages, so that the ratio of wages to profits has remained virtually unchanged.

⁶ Despite the price reduction of capital goods due to the microelectronic revolution, declining capital productivity (see below) and rising commodity prices, especially the growing levy of value by financial activities (despite low interest rates, but high real interest rates) has led to rising capital costs.

viewed in a different light, and can have an effect of making the crisis more acute. One example is the *exhaustion of new productive forces*: in recent years, new forms of organization of labour have been rolled back, and are reaching their limits. Capital is dismantling workers' autonomy, tightening controls, and intensifying precarity, insecurity and over-exploitation. On the labour side, this leads to demotivation and blocks creativity, both through "self exploitation" in flexible de-hierarchized labour relationships, and because of the narrow boundaries of management requirements and despotism (especially in the low wage sector), or a lack of promising perspectives. The result, in many cases, is exhaustion, insecurity, burnout, and the lack of re-qualification. The result is that the rise in labour productivity over the past ten years has, in spite of the New Economy boom, been less than 2% in Germany, and has largely fluctuated around 1%. In the U.S., the growth of labour productivity had been reduced from 2000 to 2007 by an average of 0.5%. It could only be (statistically) improved to an average of 2% by mass layoffs during the crisis (Bureau of Labor Statistics 2010).

The development of capital productivity is even worse: from 1980 to 1992, its increase was still considerable, but with the recession at the beginning of the early 1990s, it dropped permanently, and could only be briefly boosted again by the brief New Economy boom. Since the crisis of 2000-'01, it has been dropping considerably, reaching the level of 1979. The Bundesbank confirmed: "Declining capital productivity corresponds to ... the long-term trend reflected by the disproportionately growing use of capital (substitution of capital for labour); in the 2008 crisis, capital productivity decreased significantly by a further 6.6% (-4.9% labour productivity; BuBa Wirtschaft & Statistik 1/2010, 16-17). In the U.S., capital productivity has been decreasing since 2000. Despite the drop in investments and the decreasing share of wages, capital intensity is increasing, while labour and capital productivity have declined, and the capital output ratio (capital stock divided by domestic product) has risen. That is a strong indicator of the rapidly growing organic composition of capital: "The rate of profit rises if the growth of real wages is less than ... the weighted average of labour and capital productivity," – but: "It is this double decline in labour productivity in relation to capital expenditure per head, but also in relation to the wages, that initiates the fall of the rate of profit" (Husson 2010). Starting in 1999 at the latest, increasing profit rates can neither be related to increasing growth rates nor to growing productivity. The respective stabilization and increase of profits after a slump are the result of the redistribution of surplus value. The potentials of the new productive forces can no longer be realized in the context of neoliberal relations of production.

Further molecular changes, which have so far not themselves led to a crisis of hegemony, but were manageable within the context of neoliberal regulation, are now being added to the equation. Some cursory examples: the *ecological crisis* is already manifesting itself in everyday life in the form of catastrophes which not only threaten the lives of millions of people through storms, floods and droughts, but also lead to massive destruction of capital. For instance, according to the Stern Report (2006), the expected costs of insufficient climate protection would amount to at least 5% of global GDP, and therefore cause an actual shrinkage of the world economy – in the worst case of up to -20%) Moreover, fossil fuel

reserves are running out. Their combustion not only aggravates the ecological crisis, but also, given the expected rise in prices, constitutes a threat to many industries, and to growth itself. However, consistent climate protection would lead to severe adjustment-crises, capital destruction, or the demise of certain industries. Rising costs are generally to be expected, because of the growing hunger for natural resources. In view of uncertain profit prospects, they will inhibit the willingness to invest. Closely tied to the ecological crisis and the hunger for natural resources are *food crises* and starvation riots, especially in the “Global South”.

A further sharpening of the precarious labour and living conditions which is forcing major segments of society into growing insecurity, the dismantling of public services, the intensification of work, along with the neglect of necessary educational and care services, are deepening the above mentioned *crises of reproduction*, both of present labour power and of that of future generations. To some extent, the related dissatisfaction, especially among the most affected young people in the outer and inner peripheries, is leading to revolts there, such as the riots in the various *banlieus* of European cities, but also in the megacities of the Global South, to the anarchist riots in Greece as well as to the recent upheavals in northern Africa and the Arab countries. Protests and resistance are forming at all levels, still fragmented and often with no clear direction, but growing periodically. It is not for nothing that the CIA is warning that it is no longer global terrorism that is the biggest threat to “national security”, but rather the expected effects of the financial and economic crises.

Especially in the periphery, and there, particularly in South America, entire popular majorities and governments have abandoned neoliberalism and are searching for new paths of autonomous development. The so-called Washington Consensus and its institutions, but also the approaches of good governance, are being openly rejected by ever more countries of the Global South. Those who can afford it, are repaying their debts earlier than necessary, and saying goodbye to IMF influence. Connected to this *crisis of the international institutions and Western hegemony* are global political and economic shifts in the social relations of power. With the so-called BRIC and Gulf states, new capitalist centres are emerging (for a detailed discussion, see Schmalz/Ebenau 2011).

In the old centres, growing segments of the population are turning their backs on parties and governments, in some cases even on formal democracy as such. This is leading to an ongoing *crisis of representation* which has long remained unresolved. Internationally, coercive and violent securitization of neoliberal globalization and the overstretch of the United States as a global monopolist of legitimized violence — exercised in its own interests and those of the transnational bloc as a whole — have reached their limits: The defeat in Iraq is only the clearest example of imperial over-expansion. Even within the old capitalist centres, the reinforcement of security measures, policing and “prisonfare” (Wacquant) are proving to be expensive and insufficient to maintain social order, let alone to organize the consent of the subaltern segments.

These are long-term trends which cannot be eliminated by small efforts of crisis management. The changes – economic incoherence, exhaustion of productive forces, changes of subjectivities, shifts in the global relations of power, loss of political legitimacy, crisis of ecological and social reproduction etc. – are taking place at various levels, in a fragmented manner. Their condensation is proceeding slowly, but then often, after a certain condition of aggregation has been reached, it suddenly speeds up. That condition must be politically created, when “quantity is transformed into quality, i.e. to an organic and no longer to a contractual crisis” (Gramsci, *Gef. 5*, p. 1070).

The ruling power bloc has no productive solutions to offer in the face of rising manifestations of the crisis – solutions that could induce a boost of accumulation, while at the same time incorporating the interests of the subaltern segments, and thus succeed in once again creating an active consensus in favour of the neoliberal project. Neoliberalism is exhausted – yet, its institutions will continue to have a severe impact for a long time – similar to the end of Fordism, their position still dominant, but not hegemonic in the sense of organizing active consent (Gramsci, *Gef. 2*, p. 354). The “molecular aggregation of elements” may “cause an ‘explosion’” (*Gef. 9*, p. 2063), or lead to the disintegration of the hegemonic bloc and ultimately to the transformation of the mode of production and the mode of living. This would be a long and highly competitive process, full of struggle.

The disintegration of the historic bloc

The old is dying while the new cannot yet be born. The disintegration of the transnational historical bloc has begun. A lack of alternatives and a “bizarre” everyday consciousness continue to maintain a *passive* consensus. While the neoliberal ideology is discredited among major segments of the population, these subjects have inscribed this ideology deeply into their patterns of action and into their habits. Many openly support positions critical of capitalism, or even in favour of “socialism”. At the same time, they consider them unrealistic, since they are not connected to any real perspective for political power, or even to any expansion of their own capacity to act (*Handlungsfähigkeit*).

And rightly so, for the same time, the capacity of the left to conceive the future is limited: the old projects, be they state socialism or the national Fordist welfare state, are no longer viable, but there is a lack of alternatives. The alternative-globalization “movement of movements”, which at the beginning of the ‘90s provided the impulse for a new cycle of transnational struggles and the search for paths to a different form of globalization, seems to have passed its peak, or to have entered into a crisis of its own at the very moment at which neoliberal rule has fallen into crisis – examples include the stagnation or erosion of activists at ATTAC, or the isolation and repression of the Zapatistas or the MST. In this acute crisis situation, the unions in Germany have been able to win many demands, such as the extension of short time pay, the “cash for clunkers” programme, stimulus programmes, or code-termination in such anti-union companies as the huge automotive supplier Scheffler. Both the state and big business are once again listening to the unions as partners to be taken seriously, but they have not moved beyond structurally conservative emergency measures. The labour market crisis is forcing them onto the defensive, with no concept for the conver-

sion of industrial structures or of Germany's export-based model. Moreover, at least in Europe, the left-socialist and communist parties in many countries have not been able to profit from the difficulties of the parties of the neoliberal bloc: in France, in Italy and in Spain, they are being dragged into the abyss along with the social democrats. Exceptions may exist in a few small countries such as the Norway – and in Germany: the successes of the German Left Party are the focus of hope for leftists throughout Europe, both for left parties and leftist movement activists. There have also been other attempts at new foundations, as in France. Nonetheless, an understanding of a productive relation between party and movement, between self-organization, participation and representation, and/or between civil society and the state is facing unresolved and new questions. No autonomous, emancipatory left project exists.

This insecurity will not immediately lead to a new upsurge, but will rather promote fears and structurally conservative clinging to obsolete forms. For instance, as much as workers have in recent years been ever less willing to accept wage cuts, longer working hours and flexibilization, the crisis has nonetheless promoted the clinging to jobs, no matter what is demanded. While no longer expecting much from government or politics, most do support the return of the state in view of the crisis, since it has shown itself to be capable of action and willing to take charge. Although there is a growing awareness of the fact that it will be necessary to take things into one's own hands in order to affect change, responsibility for change is delegated to the state, and crisis generated protests have dissipated. Habits engraved in the bodies take a long time to shed. The dissonance between the crisis' global threat and personal daily life is too great. A return to normality and old orientations helps to create some semblance of security within the general uncertainty: "It wasn't that bad after all". This is the moment of those in power. The crisis of representation seems to have been postponed. But although it has promoted passivity and structurally conservative thinking, there is a widespread malaise, and a knowledge that things cannot and will not continue as they have. The question as to who is going to pay for the crisis and pay off the national debt is easy to answer. Experience and the capacity to act are facing a crisis.

But everybody always operates in a contradiction "between the expansion of the possibilities of life and the anticipation of the risk of losing one's capacity to act because of the rulers" (Holzkamp 1987, pp. 16-17). Hence, it may appear logical to be satisfied with a restricted or limited capacity to act within given conditions, and "i.e. in effect to make a kind of arrangement with the current rulers, allowing one to participate in their power – or at least to neutralize the threat to the extent that one can maintain a certain realm of free space within this framework" (ibid, p. 17). The more specific productive capacities are developed and the more complete the subjectivation is, the more simple – i.e. externally imposed – subjugation will become a practice of self-technology or self-governing in the form of active consent to hegemony (Candeias 2004/2009, p. 58). But what happens when ever more people no longer participate in governing their own living and working condition, when their precarious everyday situations are in no sense neutralized, but rather aggravated, by given conditions, in constant danger of being ruled out of the game? Here, the

disintegration even of this restrictive capacity to act will take effect.⁷ This disintegration may lead to anomic situations, and cause mental repression and physical or psychic disorders, but it can also shift the balance in the contradiction between the risk of loss of the capacity to act on the one hand, and the subjective necessity for active collective expansion of a common capacity to act on the other, into the direction of the latter. What is now necessary is the abandonment of achieved positions, and the unlearning of familiar practices. Insecure, exhausted, over-indebted – free, flexible and finished from work, including reproductive work – keeping on in the same old way is itself the crisis. Subjectivities thus come into motion.

And not only in everyday consciousness: the contradictions between the factions of the power bloc are deepening too. Restorative forces which are using the state to re-establish the old order and to plunder its finances, are intermeshing with reformist initiatives which clearly go beyond the status quo (in greater detail in Candeias 2009b). Neoliberal articles of faith are being tossed overboard: inflation of the money supply, nationalization of banks, uncovered securities from state and central banks, countercyclical stimulus packages, the abolition of all state indebtedness limits, including the formerly sacrosanct Stability Pact and the Maastricht Criteria, stricter financial controls, limitation of manager salaries and an attack on the bonus systems, but especially the state intrusion into “private” banks investment and credit policy, the smashing of financial conglomerates, partial nationalization of industrial enterprises etc. At the same time, these new instruments are to make it possible to reopen the “casino” – which, despite vehement attacks from other quarters, has already occurred. There is no consensus as to the forms of the new state interventionism and crisis management, about stimulus programmes, interests and debt reduction, re-regulation of the international financial and economic order, the relationship between currencies, the distribution of the burdens in face of climate change, or about a solution to armed international conflicts. These are expressions of contradictions within the ruling power bloc: none of his factions is in a position to force other groups within the power bloc under their own leadership, which “leads to the characteristic incoherence of current government policy..., to the lack of any clear and long-term strategy of the power bloc, the short sighted leadership and also to a lack of any global politico-ideological project or any ‘societal vision’” (Poulantzas 1978, pp. 226-7). In sum, conservative and especially social democratic parties are losing votes. The disarticulation of the old is accompanied by attempts to form the new.

The formation of societal projects in the “post-neoliberal” constellation

Within such a constellation, various movements of distancing, desertion and search emerge; these may complement or mutually influence, or compete and fight with each

⁷ Since the function of any ideology consists of constituting societal individuals as subjects, this ideological crisis of orientation is necessarily transformed into an “identity crisis” of the social actors (Laclau 1981, p. 90). The lack of representation of their interests forces growing segments of the population, particularly the threatened “middle strata”, into opposition to the existing forms of socialization. These diffuse “middle strata”, in spite of their differing positions in economic relations, demonstrate one basic common feature: their increasing separation from the central positions of the ruling power bloc.

other, even antagonistically. In the process of the struggling with others, various social groups and class factions form new social blocks, i.e. there is a convergence of social groupings, or of factions of various groupings, around concrete strategic projects. Common interests are not objectively a given here; they have to be systematically built. Such social blocks attempt to make their political projects hegemonic, and to form alliances and coalitions. Here too, the various interests and strategies are not predetermined in the struggle, but rather are only constituted in the context of existing historical forms, modes of regulation, forms of individuality, and everyday practice, in controversy with other interests. For such projects to become hegemonic, subjects must be able to redefine their needs and interests in the project, with a real perspective for realization, so that the subjects desire and actively support hegemony. Without the active element of support, hegemony would be reduced to force and violence. Accordingly, involves not only “the capacity of a class or an alliance to present and implement its project as a common one of society as a whole” (Lipietz 1998, p. 160; cf. Marx, *German Ideology*, MEGA 3, p. 47), but rather, in the form of a passive revolution, a real “process of a generalization of interests in an unstable balance of compromise” (Demirovic 1992). A hegemonic project as the articulation of many social practices and interests in a compromise is thus born by a historical bloc of social forces, which encompasses both “rulers” and “ruled”, as a result of a concrete relation of forces in the struggle for hegemony. Currently, there exists a ruling bloc in power, but no longer any hegemonic *project*.⁸

Different factions tend in different directions. Everything is being tried at once: state interventionist salvation of the banks in spite of supposedly tight budgetary restrictions; saving the automobile industry, but please with no distortion of the market; increased climate protection along with repeal of environmental legislation; reduction of government debt together with tax cuts; social amelioration and strengthening of public services with no increase in the debt level; securing jobs together with dismantling of labour market policy instruments; regulation of banks without limiting their profitability; fighting inflation and support for asset inflation – i.e. the next speculative bubble, etc.

Restoration: the social bloc of those who aimed toward the restoration of authoritarian neo-liberalism is gathering its troops. In the US, it has lost control of government, and no longer represents the majority of the population. But it is still in a position to mobilize a vociferous, radicalized, anti-state, civil society movement: the so-called Tea Parties against state intervention, government debt and the threat of increased taxation, with populist media campaigns, especially via the network Fox, and consciously demagogic lies, such as the claim that a general health insurance would mean the introduction of euthanasia for the old. The Republican Party has clearly been weekend, but it is strong enough to discredit, hand-in-hand with strong business lobbies in Congress, the central reforms of the Obama admini-

⁸ A historical bloc is not reducible to the political bloc in power; it is a broader concept. The concept of the power bloc incorporates “the unity of politically ruling classes and factions characterized by internal contradictions” (Poulantzas 1975, p. 239, my emphasis), i.e. the so-called “political class” – influential capital groups, leaderships of unions and associations, as well as media and academia, as organic intellectuals and popularizers. The power bloc thus represents one aspect of the contradiction between the rulers and the ruled, while a historical bloc represents a contradictory unity of rulers and ruled.

stration – the freedom to unionize, the introduction of government funded health insurance and the stabilization of banks and the economy, and the reregulation of the financial markets. What is currently blocked is the progressive entry into a “green economy” and international agreements to reduce CO₂ emissions in the USA. Especially the capital factions on Wall Street, the health industry, the oil and coal corporations or high-pollution industries such as the chemical industry support the blockading strategy of the right wing.

In Germany, state interventionist crisis policy and the social democratization of the conservative CDU have led to the rise of the radically neoliberal FDP and to the decline of the SPD. The insecure winners of neoliberalism, who see themselves as elite or independent entrepreneurs, are becoming radicalized, holding fast to the old and trying to prevent the creation of a new social democratic grand coalition under Merkel. Social Democratic neoliberalism à la Schröder and Blair is on the other hand discredited, and indistinguishable from conservative authoritarian neoliberalism. In Germany – and in the EU generally – the reduction of government debt is being presented as the dominant policy issue, even more than in the U.S. This has put an end to any hope for tax reduction. At the same time, the new conservative-liberal government is not able to impose severe cuts in social services. The acquiescence of the population is too obviously fragile, in light of the countless billions being used to fight the crisis. The conservative parties, the CDU and the CSU, are putting on a show of being the protectors of the status quo. The fact that the CDU, the CSU and the FDP, one day after conclusion of their coalition agreement in 2009, provided diametrically opposite interpretations of its text, was a harbinger of things to come: for and against the flat rate health insurance premium, for and against the health insurance fund, for and against tax cuts, for and against rescuing the Eurozone. This inconsistency resulted from the absence of any social project, leading to mere administration of the crisis. Its effects will continue to promote the tendencies of authoritarian neoliberalism (Candeias 2004/2009, pp. 412ff). Berlusconi in Italy is already showing how a democratic political culture can be replaced by “charismatic leadership”. In spite of the obviously bad results – the worst macro-economic performance of any major EU country, political, sexual and corruption scandals – this staging of post-political scandals has drawn much public attention and a high level of support: loved or hated, Berlusconi is firmly in control.

Authoritarian state interventionism: as in the crisis of Fordism starting in 1968, this crisis is being met by an intensification of old regulatory mechanisms, while the new is already in the process of emerging: Keynesianism only fully unfolded at the beginning of the 1970s, at the beginning of the crisis of Fordism, while from the neoliberal side, the end of “embedded liberalism” and its institutions – the regime of fixed exchange rates, controls of capital trading, etc. – was being prepared, and the old class compromise terminated. Similarly, the effects of years of liberalization, deregulation, and bottom-up redistribution, are now being fought by an intensified version of this redistribution: rescuing the banks, while debts and risks are socialized of. At the same time, a new state interventionism is emerging in the context of crisis management, which is already opening the field of conflict around “post neoliberal” forms of regulation, for crisis management within neoliberalism is reaching its limits. The relationship between the market and the state is shifting. The executive rules,

intervening deeply and not only on the basis of parliamentary legislation, but rather directly into economic activity. State intervention, true, no longer functions for the purpose of neo-liberal dynamization of the markets, but rather in a good old manner of flexible liberal Keynesianism, which compensates market failure and, at least initially, further promotes the redistribution and appropriation of surplus value by the wealthy by means of the socialization of debts and risks, while at the same time intervening directly into the investment and accumulation strategies of capital. Faith in the state and authoritarianism are widespread phenomena, not least among parts of the organized working class and the subaltern strata. The free market has abdicated ideologically and is, like the financial institutions, to be regulated and brought under the control of the state – especially French President Sarkozy calls for such authoritarian state interventionism. His charismatic leadership is decorated with far-reaching proposals for international action – now no longer to be decided upon by the G8, but rather by the G20 – and nationalistic appeals: his goal is to strengthen national capital – even if it has long since been internationalized. Although Sarkozy has led France through the crisis relatively successfully – thanks to the high share of domestic consumption and the public sector, the downturn in economic growth has been considerably less than in other countries – he has problems: more serious and more political than Berlusconi, he is being judged by the actual results of his policies. Planned privatizations, further deregulation, pension cuts contradict the proclaimed importance of, and care by, the state, leading to a decline in public opinion polls. Moreover, there is a lack of any perspective: what is the purpose of this authoritarian state intervention? What do the subaltern segments have to gain from them? What new fields of accumulation can they open up for capital?

Accordingly, the *Frankfurter Allgemeine Zeitung* (June 14, 2009, p. 27) fears that the model of a new “state directed capitalism” will be neither the Western one, nor the old-style state socialism, but rather “the state directed new capitalist centres, from China and Singapore through Russia to the Gulf states or Latin America”. From above, these systems are trying to achieve a new relationship between capitalist dynamic and state controlled development, by means of selective opening to the world market, and thus to decide in a more independent way about the future of their countries. Especially China has been able to emerge more rapidly from the growth doldrums, thanks to the biggest stimulus programme of all times, amounting to approx. \$450 billion, and to a quadrupling of new credits to over \$770 billion during the first half of 2009. Investments are being made in the necessary public infrastructure, health, social benefits and ecological technologies, and last but not least in the poor western parts of the country. At the same time, the state is directly pushing ahead the massive development of new industrial sectors: wind and solar power, nanotechnology, machine tools and power plants, information and communications technologies, etc. In the crisis, China’s state funds, like those of Singapore or the Gulf states, are using the opportunity to acquire shares in banks and corporations in the US or Europe, in order to profitably invest their current account surplus to obtain improved market access, circumvent import restrictions and facilitate technology transfers. This success is impressive: even if doubts regarding official growth rates are justified, a plus of 8% in the second quarter of 2009 and 10% in 2010 is surprisingly high, especially in view of the global collapse of demand. How-

ever it is too little to fulfil the hope of being able to provide an impetus for the world economy in general. China is thus making approaches toward more qualitative growth, and strengthening reproductive conditions and social measures, albeit with heavily increased repression of social and also ethnic unrest, and with authoritarian limitation on political rights and freedom of opinion.⁹

Varieties of post-neoliberalism: China and the other BRIC countries are placing great stock in growing so-called south-south cooperation: they are forming common platforms within the international institutions in order to create a counterweight to the negotiating power of Europe, the US and Japan. In addition, new institutions being created and transregional integration projects deepened to counterbalance the power of the transnational institutions, the IMF and World Bank and the WTO. Not in every case are these transregional institutions already functional; especially in Africa, integration projects face virtually insurmountable hurdles. Successful projects will however encourage others to follow. Even in bilateral economic relations, direct cooperation is growing: it is ever more common to trade directly in the respective national currency – Brazilian reals and Chinese renminbi – instead of U.S. dollars. Now, the BRIC, together with the IMF, even want to create a new world currency over the medium-term – so-called special drawing rights (SDRs) – in order to solve the problem of the dollar as the world currency. The goal is not to cut off ties, but rather to have their own voice in decision-making regarding the conditions and forms of further integration of their economies into the world market, while at the same time reducing their dependence on the capitalist centres – that is their goal. By diversifying foreign trade, Brazil has been able to reduce the share of its exports going to the US, the EU and Japan by 12% in only five years, even though the exports to these countries have increased considerably. This procedure is a model for smaller countries such as those in Africa, which want to use cooperation with China or Brazil as a means of freeing themselves from dependence on the EU, the US or the IMF. In this manner, especially China – but the other BRIC countries too – is ensuring access to raw materials worldwide. They are investing massively in peripheral and semi-peripheral countries such as South Africa. However, the structure of these south-south cooperation agreements changes the mechanisms of the world market but little: China exports finished products and imports raw materials from South Africa, and thus wins a balance of trade surplus; centre-periphery relations are reproduced by way of hierarchical imperial dependencies.

⁹ Nonetheless, these developments involve great risks: the stock market is booming again, the economy is being flooded with credit, which could lead to a new wave of speculative bubbles and a mountain of bad debt, if the global economy does not pick up and the level of spending cannot be maintained over the long term. Then, the cornucopia of money will lead to short-term inflation – as it already has in recent years. The issue of China's extremely export oriented economy has not yet really been addressed; it is the main economic problem, for America's households will in future be consuming less, and import demand will drop rapidly. China's dependence on the global consumer – the US – will have negative effects in the long term, unless the country succeeds in driving forward greater independent development. There is little evidence of global economic recovery. And the global current account imbalance, the essential cause of the crisis, cannot simply be continued.

A look at these various countries and regions shows that there is no single model, but rather a number of capitalistic “varieties of post-neoliberalism” (in greater detail: Candeias 2009a). Progressive initiatives or variants stand alongside authoritarian to reactionary forms, and often contradictory intertwined with each other. Notably in South America, a number of very promising experiments are being fought through, in which authoritarian, participatory, emancipatory and transformatory elements overlap: from Venezuela’s oil socialism of the twenty-first century through the left wing state projects in Bolivia and Ecuador which are strongly supported by the indigenous movements, to the left social democratic projects of Lula in Brazil and Kirchner in Chile, and others. In many different ways, all of them – despite their often extreme export orientation – are oriented domestically toward a reordering of the relations of power, toward *neodesarollismo* (growth oriented catch-up development), broader participation, progressive reforms and social justice policies, which to some extent expand the capacity to act for subaltern groups, even if the problems of inequality, poverty and limited development possibilities for people are continuing. In 2010, there were a number of elections in Latin American countries, which at least in Chile, spelled the end of the leftist government project. Others are in severe danger. Moreover such projects have contributed considerably to the absorption of protests, in some cases to repression, and generally to a stagnation of movements.

The New Public Deal: In spite of the pressure to reduce the rising debt resulting from the crisis, the preservation and strengthening of the public sphere is considered necessary. A clear majority of the population rejects privatization (Candeias 2009c). In fact, privatization especially of the infrastructure and of such services as the water supply has proven to be unprofitable and expensive for capital. Even the Federation of German Industry (BDI) has therefore warned of the danger to Germany’s international competitiveness due to a lack of investment in power plants, the power grid and the road network, and has demanded “10% more state investment in infrastructure” (*Frankfurter Rundschau*, May 27, 2008). The various investment and stimulus programmes for fighting the financial and economic crisis have already targeted precisely such an expansion of public and social infrastructure in order to prop up demand for the private sector. The project of a New Public Deal addresses various crisis processes. With the renewal and expansion of the public sphere, and especially new investment programmes in public infrastructure, education and health systems, and the creation of new jobs in these sectors, certain groups around President Obama are trying to counteract the collapse of the US economy, and at the same time both address the crisis of reproduction and of jobs – which is especially serious in the USA – and offer a new consensus to the subaltern segments. The strengthening of the state, tax reform and minor top-down redistribution are designed to get a grip on dissatisfaction and even revolts, to promote hope for change, and to secure active consent. Moreover, these measures serve to improve economic conditions by means of infrastructure and requalification, and also to improve possibilities for profit by means of private public partnerships (PPP), in which the state acts as the financier and owner, private investors take care of construction and operation of public infrastructure, and the state guarantees their profit. What seems unclear is who the carriers of such projects are to be. Are these PPPs to constitute a new upswing of neoliberalism, with only slight changes and concessions, or an element of post-

neoliberal projects, as the term New Deal suggests? Will the investments, in view of lacking social pressure from the left, suffice to adequately absorb over-accumulation? The battle for public health insurance in the USA, especially the so-called state option, shows how contested such a project would be. In Germany, the conservative-liberal government since 2009 has meant that the option of so-called citizens' insurance demanded by various left forces is a nonstarter for the time being; however, its opposite, the neoliberal systemic change away from the principle of solidarity and towards flat-rate premiums, is by no means a done deal. Austerity politics are blocking both ways.

The Green New Deal: One might object that the Green New Deal is over before it's begun. The German government is pushing growth, extending the lifespans of nuclear power plants, and putting an end to support for solar power. Its crisis management has brought us the anti-ecological "cash for clunkers" programme, the reduction in limitations on emissions for automotive industry, the repeated giveaway of the CO₂ emissions certificate to particularly climate damaging industries, the structurally conservative salvation of the automobile corporations, etc. But an absence of environmental policy is not a project either. A general reorientation of investments towards energy efficiency and the reduction of CO₂ emissions would be a necessary technological and accumulation base for the creation of millions of jobs and for a new social consensus, the already vociferously demanded Green New Deal, an answer to the financial and economic crisis and the crisis of reproduction, of jobs and of the environment and for the re-legitimation of the free market economy (in greater detail in Candeias/Kuhn 2008). This project has already been proposed by the Green New Deal Group, an association of publicists, party leaders and NGO functionaries, as a solution to a triple crisis, "a combination of the credit driven financial crisis, the famous climate change, and rising energy prices caused by peak oil".¹⁰ These concepts have been advanced particularly thanks to the Stern Report on Climate Change of 2006, the analyses of the IPCC and several transnational research groups, and high-profile activities like Nobel Prize laureate Al Gore. Its supporters include not only the European Green parties – the German Greens in November passed a resolution that demanded a Green New Deal to overcome the financial crisis (for a critique of the concepts, cf. Candeias 2007; Kaufmann/Müller 2009) – major NGOs such as WWF or Friends of the Earth, transnational networks of environmental scientists and the UN, but also Obama, who has filled the three positions of Secretary of Energy, Director of the Environmental Protection Agency and Head of the White House Council on Environmental Quality with prominent supporters of an ecological turnaround. Behind these moves are capitalist groups such as Internet and IT

¹⁰ The slogan of a Green New Deal was already used 15 years ago in Germany to describe the attempt "to arrive at a 'sustainable' economic expansion without abolishing capitalist accumulation ... as such" (Brüggen in HKWM 5, 1063). At the beginning of the 1990s, the Greens and the socio-ecological wing of the SPD hoped to develop a reformist strategy for the ecological crisis, and also to lay the groundwork for a "new alliance between the workers' movement, oriented towards distribution policy, and the interests of middle strata more oriented towards modes of living" (1064). The central elements of those drafts of a Green New Deal were, in addition to ecological investment programmes and efficiency strategies, growth critically motivated proposals for a radical shortening of the work week. Current drafts largely do without such approaches, and concentrate on strategies for capitalizing ecological resources in order to open up new fields of accumulation, and for increasing resource efficiency in production, in order to reduce environmental destruction.

corporations, which expect contracts for efficiency optimization; pharmaceutical biotech and genetic engineering corporations; the renewables energy industry, including the “green” subsidiaries of major energy providers, and the machine tools industry; the major insurance companies; such automobile companies as Toyota and Renault, which already have experience in the development of “green cars”; nanotech and chemical companies like BASF, which are developing new lighter and energy-efficient industrial materials; even such oil companies as BP, which name is no longer the abbreviation for “British Petroleum”, but rather, the company now claims, stands for a variety of concepts like “beyond petrol”; and finally venture capital funds and the small but growing ethical investment industry, which includes pension and other funds.¹¹

A Green New Deal would mean a government initiated and massively subsidized transition – a passive revolution – to an “ecological” mode of production including new areas of accumulation for capital, which is desperately searching for ways to invest: continuous commodification of natural resources in the area of biodiversity or genetic technology, technologies for increasing ecological efficiency in production and energy supply, new investment and sales possibilities in emissions and certificates trading, and ecological consumerism, including organic food, ecological housing, environmentally friendly automobiles etc. The market for investment in low emissions energy and in green technologies promises to grow into the multitrillion dollar range. Nature and environmental protection will become commodities which will limit the possibilities for solving the ecological crisis. Technological and market appropriate solutions will be favoured. Thus green capitalism is not the solution to the ecological crisis, but rather its management for the purpose of the reconstruction of an expanded capitalist accumulation and hegemony, absorbing progressive oppositional groups and some interests of the subaltern. A transformation of the entire structure of production, of the practice and culture of consumerism, the economics of the automobile society, the structure of our cities, and of our societal relations with nature, without interfering with the capitalist mode of production as such, would reproduce contradictions such as the danger of a “green” financial bubble (cf. Susan George; Janszen 2008). The goals are growth and export promotion which will ultimately not limit resource use – indeed, resource use and emissions have accelerated in spite of 30 years of environmental and climate policies – and will perpetuate or even increase imbalances and competition in the global economy. Moreover, in view of the daunting task, especially for industrial countries, of reducing greenhouse gas emissions by 80% by 2050 – i.e. of catapulting the entire world economy from the over 150-year-old fossil age into the solar future within three decades – will not be possible without fractures and crises. This time factor will for instance produce problems of decision making between a thoroughgoing restructuring, including the destruction of old industries/capital and possibly the danger of deep economic crises on the

¹¹ The financial and economic crisis may temporarily reduce emissions and the consumption of raw materials and oil, but it also blocks ecological modernization due to a lack of credit, prevents green companies from entering the stock market, and withdraws investment, especially in the areas of environmental technologies. For instance, Toyota has called off the construction of a factory in the USA that was to have built hybrid powered vehicles, and stock prices in the area of eco-energies fell faster than the stock market in general, although they are up again in 2011. Primarily however, ecological industries have been hurt by the governments’ restraint in tightening environmental laws and their return to classical industrial and growth policies.

one hand, or a too slow restructuring which would lead to further economic and social crises on the other. Moreover, incorporation of ecological modernization into the value formation would lead to a limitation of the possibilities for a solution to the crisis due to a concentration upon further valorization, further growth, further resource consumption, and at the same time neglect of non-profitable sectors.¹²

Combinations and articulations

None of the social blocks supporting these projects has yet been consolidated. The projects are highly contested. Neoliberal forces are not yet strong enough to block far-reaching reforms in transformation. The projects themselves are contradictory, but each contains both leftist and rightist options. There are points of contact and flowing intersections between the particular projects. The decisive factor will be how the various projects and their supporting groups will mutually (re)articulate and combine. What makes the decisive difference are not the particular elements as such, but their articulation: a new state interventionism could mean providing authoritarian conditions for capital accumulation – even in opposition to certain capitalist factions – and a repressive societal order (albeit with additional social measures); or the realization of a leftist state project, in which the power of the market and of capital would be restricted, and the state itself restructured in a participatory manner, in other words, democratized. A New Public Deal could mean that in such a state project, the public sphere would be strengthened as an area of providing de-commodified general access to the conditions of reproduction, and would also support public employment; or it could mean an expansion of public services, which would however continue to be commodified by way of PPPs, with access regulated via higher fees, and the influence of the people restricted to their function as consumers, with employment further flexibilized. A Green New Deal could mean a true transformation of the mode of production and of the mode of living, oriented toward reproduction instead of growth, questioning the logic of capital accumulation; or it could mean providing new impetus to the latter, a passive revolution which offered a new consensus to subaltern segments, while the unequal effects of green capitalism and the ecological crisis would ultimately be managed in an authoritarian manner. Nothing is determined.

Interregnum

The blockage on the inside and at the global fringes of the transnational power bloc, as well as the different, competing and contested societal projects, will probably result in a constellation of transition (see Candeias 2009). During this interregnum, the crisis can persist for a lengthy period, perhaps even a decade, before a hegemonic direction crystallizes out of the competition between the different projects to dissolve the crisis. This new hegemony will encompass a certain band width of different paths, but the terrain and the direction of development will be largely determined. Therefore, “post-neoliberalism” (see Brand, et al. 2009) characterizes not a new period of capitalist development, but is rather a transition

¹² Cf. debate on the Green New Deal in the journal *Luxemburg*, vol. 1 no. 1, pp. 130-159, with Wolfgang Sachs, Tazio Müller, Stephen Kaufmann and Frieder Otto Wolf, and the book by Stephen Kaufmann & Tazio Müller, *Grüner Kapitalismus. Krise, Klimawandel und kein Ende des Wachstums* [green capitalism: crisis, climate change and no end to the growth delusion], Berlin 2009.

period or interregnum, in which numerous search processes occur and the future organization of society is in debate. A new term must be coined as soon as a hegemonic project becomes apparent. In my opinion, there is currently only one potentially hegemonic project which is capable of providing the required resources, accumulation dynamics and potential for consensus: the Green New Deal, a period of green capitalism (Candeias 2007; Kaufmann/Müller 2009). But this scenario is far from being definite: the forces of perseverance of the old are yet too strong. Furthermore the project of the Green New Deal is in itself too contradictory. It is still a relatively open historical situation, in which no hegemonic direction has been pursued to date.

The revolutionary pragmatism of socialist transformation

Revolutionary *Realpolitik* (cf. Rosa Luxemburg, *Marxist Theory and the Proletariat*, 1903) abolishes the false contradiction between reform and revolution. The adjective refers to the transformational character of politics, and less to the violent point of overthrow of the revolutionary seizure of power. The latter can in any case not be brought about voluntaristically. To concentrate on that means making oneself politically incapable of action, and condemning oneself to revolutionary attentism. Hence realism: acting in the knowledge of social power relations, but with the perspective of shifting them; starting from the real conditions and contradictions in which every individual must move, starting from the preoccupations and everyday interests of each person; and addressing their particular interests and passions, while rearticulating and generalizing them in the ethico-political sense described by Gramsci, so that the immediate interests of the different subaltern groups can be transcended and become part of the universal interest of other groups and class factions (Candeias 2009d). What is at stake here is the ensemble of social relations as such, in the sense of a revolutionary *Realpolitik*, the question of the common determination of the immediate conditions of life, of futures. This orientation toward the social ensemble is more than simply an attractive long-term goal; rather, it is a necessary element for the prevention of a narrowing of politics, or a fallback upon corporatist or narrow group interests, which would lead to an intensification of the subalternity which always threatens whenever struggles or single reforms are not understood as hegemonic conflicts over the very social order. Then, as so often, particularistic, compromising integration into the ruling bloc is the result.

The overall social context is constantly being subdivided by the power bloc into specialized policies to dis-identify societal interrelations and changes, and to individualize the problems of social groups. Sectional policies also dominate thinking in many leftist movements, parties and unions. For that reason, the context must ever be clarified, or rather built, anew – between the multiple crises, between financial and social crises, between economic and ecological crises, and between all these crises and the capitalist mode of production and living. The struggle over the interpretation of the crisis, over a reassessment of the situation, is a key aspect which organic intellectuals – in their various positions – must achieve.¹³ Be-

¹³ “In the formation of leadership, this precondition is essential: do we want to always have rulers and ruled, or do we want to create the conditions under which the necessity for the existence of this division disappears, i.e., do we assume the permanent division of the human race, or do we believe that it is merely a fact which corresponds to certain historical conditions?” (Gramsci, *Gef.* 7, p. 1714) – this distinguishes the “right-wing

yond that, the left must reorient itself strategically toward a changed situation. The critique of neoliberalism is no longer sufficient, since neoliberalism itself is in crisis. The critique must focus both on the restorative tendencies and the possibility of new passive revolutions. Otherwise, the demands of the left will be coopted by the rulers, again. Protests and criticism often failed to go beyond simple negation, and are therefore relatively ineffective. They are often limited to pure rejection, implicitly demand a return to past models, aim for a new more “social” neoliberalism or statism, or express a desire for the looming revolution. This lack of perspective continues to ensure a passive consensus. The recognition of the concept that there is no alternative to the respective form of socialization is one of the decisive moments of hegemony. Everyday capacity to act remains stuck in individual strategies, and hardly finds any forms of collective universalization. What is needed therefore are our own further-reaching transformational concepts and imagination, and at the same time – from a minority position – the development of realizable entry projects. Such projects, reforms and respective compromises must directly improve the individual capacity to act, and simultaneously depict a real perspective which points beyond the given, a perspective that orients the different reforms and struggles, and endows their coherence. The orientation toward the capacity to act also requires a different understanding of politics – for comprehensive societal transformations will not take place exclusively in “high level politics”, but will rather have to address the everyday lives of people, and understand that sphere itself as the sphere of politics – as Gramsci described very early, but which the second women’s movement then showed clearly. That targets the individual and collective capacity to act, and the question of everyday organization. Otherwise, left proposals will not be accepted as a true alternative, and for good reason. Take the concrete example of rescuing Opel: it would have made sense to make state capital conditional upon co-ownership, or the complete socialization of the company, or upon the enhanced participation of the staff, the unions and the region, e.g. in regional councils, who might then have decided to take concrete steps toward conversion of the auto company into an ecologically oriented service provider for public mobility, embedded in the macro-economic orientation like the following one.

A wide variety of entry projects could be considered in a number of areas (Candeias 2009a, pp. 33 ff). A very important one might be the conversion of a growth-oriented capitalist economy into a “reproductive economy” that can limit itself while still creating new wealth. Let us concentrate on a needs-oriented Care Economy, which would express solidarity, would involve a reorientation toward public health, childrearing and education and would include research, social services, food sovereignty, caretaking and the protection of our natural environments. This would be a contribution to a truly ecological mode of production and of living, since this work with people and to maintain nature would be accompanied by less environmental destruction, and would be aimed directly at the crises of reproduction and labour (it is already the case that these branches are the only ones with continuous

Gramscians” in their elite neoliberal think tanks from emancipatory networks. Marx already had the perspective of the abolition of the division between the rulers and the ruled through the full development of the individual: “...when the real, human individual revokes the abstract state citizen in her inner self” (Marx, *On the Jewish Question*, MEGA 1, p. 370). The first step would be a kind of socialization of ideology-critical skills, as opposed to the monopolization of such functions by new intellectuals.

employment growth). It would be a contribution to the emancipatory rearrangement of gender relations and to the development of a practice of *"buen vivir"*. The associated orientation toward internal development and partial de-globalization and regionalization of the economy would contribute to the dismantling of export fixation and of global current accounts imbalances. The expansion of the public sector and its de-commodification would go hand-in-hand with the rollback of the market, of privatization and valorization. If reproductive work in the broadest sense is made the centre of a transformative project, this would enable the rejection of the growth fetish, and finally call the capitalist mode of production as such into question. In fact, it is about the question of who decides about the use of resources in society, and which kinds of work need to be seen as socially necessary. At issue is a radical democratization of state and economic decision-making. At issue too is a redefinition and redistribution of socially necessary labour – not the constant expansion of commodified wage labour and surplus value production, but rather the expansion of collective and cooperative forms of work oriented toward their efficiency in contributing to human development, to the wealth of mutual human relations, and to the extension of freely disposable time.

Subject of transformation

There is no shortage of political movements. In contrast, we are confronted with a plethora of political movements and demands that do not translate into one another. With reference to Gayatri Spivak, Hito Steyerl therefore concludes: "In terms of becoming a political subject, these politics of difference proved to be fatal, as they produced a cacophony of monads, which had nothing in common and had the tendency to either compete with" or ignore one another (Steyerl 2008, 13-14). In this voicelessness, in which each one speaks only for his or her own particular, even identitarian interests, one thing has become specifically inexpressible, namely "a solidarity beyond identity" (ibid. 14). Diversity thus has been turned into a sophisticated power technique of neoliberal and imperial hegemony. Split along multiple lines, the subaltern groups lack a common language and an understanding of their common interests. It is therefore not enough to point out the differences and celebrate the newly won plurality as a new dogma of post-classist politics in order to avoid false unity. And it is furthermore not enough to lament and analyze fragmentation, while once again calling for a unitary project under the same flag, which would once again negate the differences and split off what is supposedly dissident or deviant. Rather, what is necessary is a productive dealing with fragmentations and differences – and that is also true for party projects of a pluralistic left. However, recognition is not easy, and its collapse has caused the decomposition and break-up of the left (Benhabib 1989, Fraser 2003, Sennett 2002).

In order to recover agency, the capacity to act, it is necessary, out of this dissonant constellation in which everybody is caught, to work out a generalization – rather than a "unification" – of interests, that respects differences. Specific interests must be newly connected and solidarity must be developed. That is what Gramsci meant with the process of the development from the corporate economic to the politico-ethical phase. The following may appear paradoxical in this regard: the marking of differences and power relations, both discursive and organizational, is a precondition for generalization. It is essential to name con-

traditions, to emphasize what is underrepresented and to make visible relations that produce subordination and ascribe “identities”. In order to be perceived as a social group with its own interests, a rupture with the rules of corporatist negotiation processes and political representation is inevitable (strategic antagonism). It is necessary to articulate particular interests and create separate organizations and networks in order to be able to associate with other groups and class fractions, and not only find but indeed produce common ground through contested debates. The “multitude” does not generate itself; the mosaic left is fragmented. Producing common ground – on top of reformulating one’s own interests and developing common interests – also means generalizing experiences and recognizing (as well as supporting) demands that are non-common, but indispensable for a specific group (such as the legalization of immigrants). The latter also refers to the recognition of different (political) cultures and organizational forms. What is important is an open process that allows for framing the particular and conceiving relations in new ways. What remains irreconcilable can possibly be resolved in a second step, namely in a emancipative transformative perspective and when building new comprehensive and mediating institutions (and practices). The important thing therefore is how to deal productively with the dangers of both fragmentation and of false unification which negates differences. The picture of the association in a movement of movements – a mosaic left – is certainly more viable than that of the one big “united front”.

Also necessary is a strategic relationship between the movements and the state. It is clear that a Hollowayesque distancing from the state is no longer useful, and is subject to a problematic mythology: The state is misunderstood as a closed apparatus of domination, and the movement is isolated on the terrain of civil society. As we know, there is a close relationship between state and civil society, which Gramsci summarized as “civil society plus political society equals integral state”. There is no such thing as “external to the state”. The history of poor people’s movements illustrates this point – that the state in a narrower sense is a contradictory terrain of struggle, and its form is the result of the condensation of a social relation of forces (Poulantzas). Sensible reforms – particularly those of a leftist state project – cannot simply be rejected, nor are they irrelevant, simply because they occur upon inherited terrain. Leftist movement politics cannot stand impassively in opposition to institutional – including leftist-institutional – politics; rather it must generate pressure, and engage in interpreting and dealing with such politics within a matrix of generalized interests. This demands however that the autonomy of movements be secured, and that means creating independent institutions and an independent “moral economy” (Thompson), or economy of solidarity.

One example of such a strategic relationship to the state is the politics of the Brazilian landless worker’s movement MST. The MST does not allow itself to be satisfied with levying demands toward the government. It has critically supported the policies of the Lula and Rousseff governments – but as soon as these start to flag, the MST raises the number of land occupations in order to create facts on the ground and build further pressure. The MST resorts to state politics, but only insofar as the goal is to secure and extend the room for manoeuvre for the movement and the appropriation of living and working conditions, such

as land rights. Land occupations are the motor of organization, a communal mode of production constitutes the economic foundation, and independent schools and educational facilities secure political, organizational, and productive development. The MST attempts to win the furthest reaching independence, without succumbing to the illusion of autonomy beyond the state. John Holloway once formulated this as being *in and against the state* (before departing from the first half of the slogan). Its precondition is the constant re-activation of elements of the movement, in order to break up the bureaucratization of the organization and the passivity of the members, and to strengthen organizational power. The development of a critical strategic relationship between movement and state is very challenging, and goes beyond the problem of forming a mosaic left.

For that reason, new institutions of mediation are needed, which are capable of gradually absorbing the state into civil society. An example is provided by the "*consultas populares*", vehicles of participatory budgeting and participatory democracy, particularly in Ecuador and Venezuela, which enable people's planning processes and councils at the workplace, communal, and regional level – and beyond. However, such participatory institutions for the decentralization and democratization of power are only effective if there is truly something to be decided, particularly with regard to the socialization of the function of investment: for what and where do we want to employ our social resources? This should not be purely the task of the state, and certainly not of private-capitalist enterprises.

Such approaches to socialist transformation can be realized even today, in small steps, but they must reach beyond their own limits, and trigger further steps to be taken. The conditions for at least partial steps to the left are favourable in times when the active consensus is eroding and contradictions between the groups in the power bloc are reducing its capacity to lead, while the search for new coalitions and alliances has begun. However, there should be no doubt that transformation does not mean a smooth transition. The molecular changes ultimately lead to fractures. The more successful transformative strategies are, the more capitalist development will slide into crisis, and the more violent will be its response. Ultimately, the socialist strategy of transformation in the sense of revolutionary *Realpolitik* will lead to the question of revolution... provided the strategy is successful.

Each of us had the task of bringing divergence together in unity.
Peter Weiss, 1975/1983, p.204

Translation: Phil Hill (Berlin)

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